

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 1999-071-C - ORDER NO. 1999-251

APRIL 8, 1999

IN RE: Joint Application for Approval to Transfer	)	ORDER APPROVING
Control of Coastal Telecom Limited Liability	)	TRANSFER & MERGER
Company to Eclipse Telecommunications,	)	
Inc.	)	

/mr

This matter comes before the Public Service Commission of South Carolina (the Commission) on the joint Application of Eclipse Telecommunications, Inc. (Eclipse) and Coastal Telecom Limited Liability Company (Coastal) for approval of the transfer of control of Coastal to Eclipse. Specifically, the Applicants seek approval from this Commission to transfer the membership interest in Coastal to Eclipse and the ensuing merger of Coastal into Eclipse. Under the plan, Coastal will cease to exist and Eclipse will be the surviving corporation. Both companies have received Certificates of Public Convenience and Necessity to operate as telephone utilities in the State of South Carolina.

Pursuant to the Commission's Executive Director's instructions, the two Applicants published a Notice of Filing in newspapers of general circulation one time. The Notice of Filing informed the public of a method of participation in the proceedings herein. No Protests or Petitions to Intervene were received. Accordingly the two Applicants have moved for expedited review of this matter, and have furnished the

verified testimony of Jeffrey C. Smith, Eclipse's Senior Vice President, General Counsel and Secretary in support of the joint Application.

S.C. Code Ann. Section 58-9-310 (Supp. 1998) requires notice and "due hearing" before the Commission may approve the transfer of the assets of telephone companies from one carrier to another. When there have been no Protests or Petitions to Intervene, we have often granted Motions for Expedited Review, when they are accompanied by verified testimony. We then declare the Commission meeting where the matter was considered to be the "due hearing" required by the statute.

We elect to follow this procedure in the present case, and grant the Motion for Expedited Review. We also hold that the Commission meeting of April 6, 1999, wherein the matter was considered by the Commission to be the "due hearing" required by the statute. We have examined the verified written testimony of Jeffrey C. Smith, Eclipse's Senior Vice President, General Counsel, and Secretary, and find that it supports the reasoning and ultimate request found in the original joint Application.

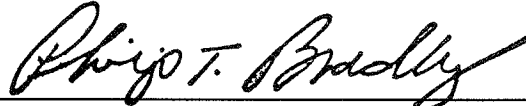
It appears from Smith's testimony that no customers will be adversely affected by the merger of Coastal into Eclipse. In taking over Coastal's operations, Eclipse will incorporate into its tariff Coastal's tarified prices, terms, and conditions of service for current Coastal customers. Accordingly, the proposed transaction will in no way disrupt service or cause inconvenience or confusion to Coastal's customers. Similarly, the proposed transaction will have no effect on the operation of Eclipse, which will continue to provide telecommunications services to its intrastate customers pursuant to its existing authorization. It also appears that the merger is in the public interest. According to Smith,

the combination of the two companies' resources and expertise will strengthen competition in the interexchange marketplace in South Carolina and elsewhere, by permitting the combined companies to compete more effectively with larger carriers currently providing service in South Carolina. The transaction will also combine the complementary management skills, background, and experience of Eclipse and Coastal, and according to the testimony, will enable the combined companies to realize significant economic and marketing efficiencies and enhancements, permitting significant savings in operating costs and capital expenditures.

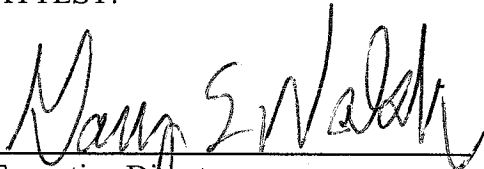
Accordingly, we have examined the testimony and the record of this case, and hereby approve the proposed transaction, for the reasons stated above. We believe that no customer will be adversely affected by the transaction, and the transaction is in the public interest. Eclipse shall notify this Commission upon completion of the transaction, so that the Certificate possessed by Coastal may be cancelled.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director  
(SEAL)